

**A SOLUTION FOR INCREASED
EFFICIENCY AND SERVICE
"CONSOLIDATION"**

**"A feasibility study on consolidation between the
Hutchinson Fire Department and Reno County Fire District #2"**

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ABSTRACT

Although the issue of consolidation or merger is not new to the Hutchinson/Reno County area, the emergence of several key issues such as retail wheeling, annexation, station relocation, and increased efficiency, has prompted city and county officials as well as fire department directors to again address the issue of consolidation of resources. In a time period when fire/rescue departments are being asked to produce more for less, the trend to consolidate resources in an effort to control spending, reduce the duplication of service, increase efficiency, while continuing to offer a high level of service is becoming more applicable.

The purpose of this research was to determine the feasibility of a merger or consolidation between the Hutchinson Fire Department and Reno County Fire District #2. Specifically, answers were sought to the following questions:

1. What factors effect each governing body and their respective fire department that prompts the need to explore consolidation and what success have other departments had who have faced similar issues?
2. What are the projected benefits that can be expected if a consolidation between the two fire departments occurs and is there a financial cost savings by a joint department?
3. What legal avenues are available in Kansas for merging a city fire department and county fire district that will offer satisfactory results for both governing bodies?
4. What are the operational and personnel issues between the two departments that need addressed in order to facilitate a merger?
5. What other factors will play either a positive or negative role in a merger or consolidation between the two fire departments?

The methods used to obtain information and the answers to these questions used historical, descriptive, and evaluative research methods. Data was collected through personal interviews with city and county officials, past memo's, newspaper articles, reports on the issue of consolidation in Hutchinson, reports from other fire departments who are considering or who

have successfully completed a consolidation with another department, published articles relating to consolidation, and the annual budget reports for the City of Hutchinson and Reno County.

The findings of this research on the feasibility of consolidation between the City of Hutchinson Fire Department and Reno County Fire District #2 reveal that one consolidated fire/rescue department would be more efficient and cost effective although there are some barriers that need addressed. The means are available and in place to provided this service provided both governing bodies can reach an equitable interlocal agreement. Past indifferences, lack of trust, and control issues must be put aside by all involved persons and organizations and must look to the future to what is best for the citizens.

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INTRODUCTION

The issue of consolidation or merger is not new to the Hutchinson/Reno County area. For over 20 years discussions between the city and county have been focused on issues related to shared facilities and consolidation of services. Although many joint consolidation efforts in areas such as planning, public works, and even the fire service have met with past opposition, several areas such as the joint Dispatching Center and Law Enforcement Center have met with success. Even though several studies have been completed over the years addressing consolidated fire service in the City of Hutchinson and Reno County, no action to merge or consolidate these services has resulted with the exception of functional areas, such as mutual and automatic Aid (Chief K. Forbes, personal interview, February 7, 1998).

As a result of the emergence of several key issues that need addressed such as retail wheeling, annexation, station relocation, and increased efficiency, city and county officials as well as fire department directors have been prompted to again address the issue of consolidation or merger as a means to solve these issues. In a time period when fire/rescue departments as well as governments are being asked to produce more for less, the trend to consolidate resources in an effort to control spending, reduce the duplication of service, increase efficiency, while continuing to offer a high level of service is becoming more applicable and necessary. The purpose of this research is to determine the feasibility of a consolidation or merger between the Hutchinson Fire Department and Reno County Fire District #2. Specifically, answers were sought to the following questions:

1. What factors effect each governing body and their respective fire department that prompts the need to explore consolidation and what success have other departments had who faced similar issues?
2. What are the projected benefits that can be expected if a consolidation between the two fire departments occurs and is there a financial cost savings by a joint department?

2.

3. What legal avenues are available in Kansas for merging a city fire department and county fire district that will offer satisfactory results for both governing bodies?

4. What are the operational and personnel issues between the two departments that need addressed in order to facilitate a merger?

5. What other factors will play either a positive or negative role in a merger or consolidation between the two fire departments?

The methods used to obtain information and the answers to these questions used historical, descriptive, and evaluative research methods. Data was collected through personal interviews with city and county officials, past memo's, newspaper articles, reports on the issue of consolidation in Hutchinson, reports from other fire departments who are considering or who have successfully completed a consolidation with another department, published articles relating to consolidation, and the annual budget reports for the City of Hutchinson and Reno County.

BACKGROUND AND SIGNIFICANCE

The Hutchinson Fire department was first established by an ordinance in 1872 and organized as a paid fire department with a fire chief and driver by 1890. Today it operates 5 fire stations with 77 members and is responsible for 27 square miles and a population of 39,308 according to the 1990 census (see map, appendix A). The proposed budget for FY 1998 was \$3,153,612, which does not include employee benefits. Besides it's Operations or firefighting/rescue Division, the fire department operates a full time Administration, Training, Inspection, and Maintenance/Mechanic Division. The call volume for Hutchinson Fire department for 1997 was 2,692 alarms, which includes 59 mutual or automatic aid responses into Fire District #2 area (Hutchinson Fire Department, Annual Report, 1997). The City of Hutchinson is governed by a city manager/council form of government and finances the fire department operations by property taxes, sales taxes, and revenue from contract areas such as Hutchinson Industrial District and Fire District 1.

Bordering the City of Hutchinson on three sides, the Reno County Fire District #2 was created on May 28, 1959 by a resolution pursuant to K.S.A. 19-3601 et seq., which provides authority for the board of county commissions to organize rural fire districts. In 1967 another resolution was passed establishing a paid fire department for Fire District #2. Today the department has two stations, responsible for 84 square miles of Reno County, and has a full time paid staff of 20 personnel to protect its estimated population of 6,200 (see map, appendix B). It has an Administrative Division, consisting of a Fire Chief and Assistant Chief, but utilizes line personnel for other specific functions besides firefighting. The proposed budget for FY 1998 is \$692,106, which does not include employer contributions and benefits. The call volume for 1997 was 487 alarms which includes 74 calls within the city limits of Hutchinson (Chief Gernan, personnel, Feb. 1998). Fire District #2 is managed by a board of three County Commissioners and is funded almost entirely by a fire district tax. Additional revenue is generated by motor and recreational vehicle taxes, L.A.V.T.R. revenue, and delinquent taxes.

Since 1979, several committees have been formed by a joint effort to look at means for improving cooperation, coordination, or consolidation of functions specific to the fire service. On March 12, 1979, the Metropolitan Study Committee was formed and selected the area of fire protection and service as it relates to Fire district # 2, Hutchinson, and South Hutchinson as their first area of study. The purpose at that time was due to the uncertainty of Fire District # 2 to raise sufficient funds to maintain adequate fire service as a result of recent annexation of property by the City of Hutchinson. At that time, some of the discussion was whether to look at the make up of all fire districts in Reno County to determine the feasibility of the formation of a county wide fire district or just Fire District #2, Hutchinson, and South Hutchinson. Key areas addressed were effectiveness of each department, financing of each department, and methods were discussed to improve service for each department.

Several concerns raised by the committee concerning Fire District #2 were their response ability due to the large geographical area, understaffing of paid personnel, and the loss of revenue

due to annexation. Ideas discussed for improvements of service include contracting out areas of Fire District #2 with Hutchinson and South Hutchinson, building new facilities in strategic locations, and a contractual agreement with Hutchinson and/or South Hutchinson for total fire protection. A short term recommendation made to solve the immediate problems in the area of response, was to change some of the geographical boundaries of the district and enter into a mutual aid agreements with Hutchinson and South Hutchinson. To combat the revenue issue, a increase of 1 mill for Fire District #2's budget was suggested which would require the removable of Fire District #2 from the current mill levy limits of K.S.A. 19-3610 (Metropolitan Study Committee, Report on Fire service, July 2, 1979). Although the committee felt that the present revenue problem could be solved through a small tax increase, the long term issue of loss of revenue by city annexation would not go away and should be evaluated by a committee yearly.

Of the other two involved departments, the Hutchinson Fire Department was found to have adequate manpower, equipment, and stations, although with the city expanding north, a future station to the north would be required to maintain adequate service. It was suggested in the report by the committee that the 30th street county fire station, which was now located in the city limits of Hutchinson, be purchased by the City of Hutchinson and a new county fire station built to the north. The report by the committee suggested that the South Hutchinson officials were satisfied with their current level of volunteer fire service, and were not willing to pay any significant larger amounts for fire service.

The findings of the committee after interviews with the three fire department chiefs, obtaining information on budgets, financing, and taxation by city and county officials, ruled out consolidation between the departments at that time due to the high cost to the taxpayers, but did offer several short term solutions. Although consolidation was not recommended, the committee did state that the day may come when consolidation or merger of all or part of the Hutchinson and Fire District #2 fire departments is the best solution.

The 10 member Intergovernmental Commission was established in March of 1992 by a joint resolution between Reno County and the City of Hutchinson and charged with studying, making findings of facts, and recommending specific actions with respect to improving cooperation and coordination of functions common to local governments in Reno County. One area that the commission agreed to study was the area of fire protection. In order to gain more knowledge of fire protection in Reno County, the Intergovernmental Commission heard testimony from many local fire protection officials including Dallas Jones, the Hutchinson Fire Chief, and Charlie German, the Fire Chief of Reno County Fire District #2. Other testimonies, information, and public deliberations were sought by the commission in order to make recommendations. The final report dated April 14, 1993, offered the following recommendation by the Intergovernmental Commission relating to the fire protection issue between the Hutchinson Fire Department and Fire District #2. It stated that the Hutchinson Fire Department and Reno County Fire District #2 be consolidated into one fire department and the consolidated department be administered by the City of Hutchinson (Intergovernmental Commission, April, 1993, pg. 11). The Intergovernmental Commission's report concluded that the merger would improve the quality and efficiency of fire protection in Reno County and enhance the equity of services offered in the financing of fire protection provided. They felt that although both departments worked closely together at the present time, that consolidation of the two departments would yield greater economies, improved service, and contain long-term costs. It was also reported that consolidation could also be expected to eliminate duplication of service and to simplify and expedite local response to the increased demands. Another potential benefit revealed by the commission in their report was the enhanced local capacity to deploy more manpower and the resulting improved service that both jurisdictions could expect, including possibly the lowering of ISO ratings for some areas.

Another independent study and report was conducted and made available in May of 1993 on the issue of consolidation of the fire service in Reno county by Meryl Dye. This was a comprehensive report reviewing the issues and facts related to a functional consolidation of Reno County Fire District #2 and the Hutchinson Fire Department which was submitted to Wichita State University. The findings of the report revealed that the debate on consolidation is unsettled although information concludes that there are significant benefits and negligible costs involving a consolidation between the two departments (Merly Dye, 1993, pg. 79).

Additional findings of the by report by Merly Dye, suggest that larger response areas can be more effectively protected by a joint effort, and would ensure continued efficiency, effectiveness, and quality of service to both jurisdictions. As annexation continues to play a role in the erosion of the tax base of Fire district #2, a greater dependency on the city can be expected to maintain protection needs. Further suggestions by the author, suggest that staffing levels could be reduced as a result of the closing of one station by a consolidation and that significant cost savings could result. The report also indicated that if the recommendation of the Intergovernmental Commission was acted upon, that both governing bodies would want to assure citizens that their needs will be met and that somebody responsible would be in charge. It was suggested that this could be accomplished by either of the statutes on intergovernmental cooperation by designating one of the governing bodies as the entity in charge of managing the consolidated functions, or delegating administrative responsibility to a separate legal entity or a joint board comprised of representatives from both governing bodies. One of the main questions that remained to be answered during this time period was whether the governing bodies were ready to take a public position on the issue of fire service consolidation and were they ready to take the lead and embark upon this type of significant change?

Throughout 1993 and into 1994, meetings and discussions continued between both departments and Meryl Dye, the Human Resource Director for the City of Hutchinson, on the

issue of consolidation or merger between the two departments. Support was given by the City Counsel in May of 1993, and a suggestion was made to move ahead on the recommendations of the Intergovernmental Commission. In March of 1994, the process of consolidating or merging seemed to come to a head as a five step plan was developed by the committee made up of both fire chiefs, employees from both departments, and the Hutchinson Human Resource Director, to be presented to the City and County Commission for the merging of the two fire departments. At this point, support for the effort seemed to change directions. County officials, as well as personnel and patrons in Fire District #2, protested any furtherance of the effort and the issue on a merger was dropped.

With new members on the Reno County Commission, and several new members elected to the Hutchinson City Council in 1997, the issue of consolidation again was brought up in a joint city/county planning session in 1997. The emergence of many of the same issues that had been brought up in the past came back to life. These include the future loss of revenue to Fire District #2 due to annexation by the city, the need by the City of Hutchinson to relocate a fire station to the north, and the potential impact of "Retail Wheeling" or Utility Deregulation on the KG&E plant located in Fire District #2. In an effort to begin planning for the future needs of both entities, an initial joint meeting by representatives of both governing bodies was held on June 17, 1997 to again look at the issue of a consolidation between the Hutchinson Fire Department and Fire District #2. The age old question on consolidation between the two fire departments was again to emerge.

A report specifically dealing with the financial impact and benefits was requested and developed by a joint effort between the two fire chiefs in the fall of 1997, with results indicating many positive benefits and cost savings. Results indicated benefits in areas such as immediate response, strategic location of facilities (see map appendix C), better functional organization by using one training and inspection/public division, cost savings on personnel, potential ISO class reduction, and overall better use of the tax dollar. It was suggested that cost savings realized

might be used to fund equipment and a new station to the north of the city in Reno County. Attorneys from both governing bodies looked at the legal avenues available, and presented those options available under “Kansas Law” to both councils at a joint luncheon in November of 1997. The County Commission determined before any type of interlocal agreement could be developed to address the issue of a merger between the two fire departments, that the issue of the tax lid for the fire district would need to be addressed. Several methods for maintaining a equitable taxing system were discussed as well as how to oversee the merged department. A resolution opting Fire District #2 out of the tax Lid was passed by the County Commission in December of 1997 and is awaiting a April vote before efforts move forward. Funding for the county firefighters employee benefits is not currently under the tax lid, and would have to be shifted to capped funding if a merger with the city occurred (Green, 1998, pg. 1). There is not currently enough spending authority under the lid to include all employee benefits.

As with most changes, opposition usually arises quickly to hinder any type of cultural change to an organization or a community. Although factual information was released by the joint committee to keep employees informed, a lot of speculation and incorrect information arose. Most of the negative information that was published concerning the consolidation effort was based on only speculation because very few decisions had been made by elected officials. The tax lid issue arose early in discussions, because it was determined that if it could not be passed, there would be no reason for any further merger consideration. Concerns by the county residents and employees seemed to deal with a distrust toward government, loss of control of tax dollars, and loss of identity of Fire District #2 (see articles appendix D).

The National Fire Academy's Executive Officer Program, Strategic Management of Change, dealt with the issues of change in the fire service and offered a change model that can be used when dealing with change. The goal of the class was to assist in developing the skills and knowledge in fire/rescue officers for effectiveness in leading and managing change. Change is going to happen, history has proven that. Leaders today can either lead the change or manage it

once a crisis has occurred. As governments have been forced to streamline and cut organizational costs while continuing to offer the same or better service, fire departments are having to also meet these demands. The most apparent difficulty in making change is the resistance that results which is often the result of the culture of the organization, according to Dr. Robert Moss Kanter. It is difficult for organizations or individuals to step out of the established range of what is comfortable or what has been done in the past and move into the unknown.

The issue of a consolidated fire service in Reno County may come down to whether or not policy makers, fire chiefs, employees, and citizens are able to look past the past and present to what is best for the citizens in the future. The issue of consolidation and the resulting change that results between governments and fire departments in the Reno County area has not been settled. It is hoped that information gained by using methodology offered by this program, extensive research on the subject of consolidation, lessons learned by other departments who have been involved in a consolidation, and the resulting recommendations made through this research, can and will be used by local government and fire department officials in Reno County and other fire officers across the country in addressing the issues of consolidation.

LITERATURE REVIEW

Faced with tighter budgets, increased service demands, expanded territories, and increased other pressures, cities and counties are looking at alternative methods to provide fire/rescue service and improve efficiency and productivity. The purpose of this literature review is to reference both past and current information and resources that are dealing with the issues involving the merging or consolidation of the fire service in the area of Reno County and departments throughout the country. Areas of interest will focus on factors prompting consolidation, benefits, legal avenues, operational and functional issues, and other influencing factors.

FACTORS PROMPTING CONSOLIDATION

Fire officials and local government officials find themselves considering consolidation or merger for different reasons. Although their reasons for studying consolidation may vary, it is critical according to Jan Thomas, a communication consultant, that the ultimate goal of consolidation is to enhance fire protection services for our citizens and it must be recognized by all parties involved (Thomas, 1994, pg. 105). In the book, "Managing the Fire Service", the authors sites the following reasons as the most influential catalysts for change by cities and counties considering changing the way they provides fire service (I.C.M.A., 1998, pg. 418):

1. Growth in demand for service, especially ambulance and rescue services.
2. Municipal budget constraints and/or contractual labor demands.
3. Not enough volunteers during daylight hours.
4. Pressure to improve the productive use of paid firefighter "downtime".
5. The complexity of modern firefighting and the length of training volunteers required to meet community fire-safety standards.
6. Economies of scale (some cities are served by as many as six fire departments).

In the rapid growing Orlando, Florida region in 1981, as a result of the multiplicity of government and fire agencies, 16 fire districts were combined into one county fire department (Orange County Fire and Rescue). Reasons cited for the need to consolidate were the loss of efficiency, effectiveness, potential cost savings, and quality enhancement (Cragan, 1984, pg. 52). The philosophy that applied to the Orlando, Florida area then, is still applicable today. The issue and problem is, how to balance the citizen's demand for increased service against the demand by the same citizens for reduced cost of government. In a statement by Craig Garret of the Detroit News, he said, "That the federal government should take a lesson from local fire departments: reorganize and save taxpayers dollars" (Garrett, 1995, Detroit News Home Page, pg. 1). His statement was in regards to a recent merger between Plymouth and Plymouth Township. Savings dollars while offering increased efficiency was again a key factor to

the consolidation. It was reported that combining the two municipalities have saved taxpayers approximately \$60,000 in repair and overtime cost from a cost-shared \$1.8 million public safety budget.

Pasco County, Florida was another area fast growing area located in the Tampa area that was forced to take a hard look in the mid 1970's at consolidation in an effort to offer all citizens in the equal service and to manage the rising costs. They were differences in mill rates, moneys available for equipment, manpower levels, and other factors effecting the five separate districts. The goals of the potential consolidation were to unify, improve, and equalize the fire service, centralize and reduce administration costs, avoid duplication of facilities and equipment, strengthen purchasing power, achieve better insurance ratings, flexibility in use of manpower, capital equipment based on needs and not ability to pay, and to provide a unified training program (Doyle, 1982, pg. 36).

A close look at many areas of the country show that duplication of apparatus, personnel, and equipment exist. Where fire departments were once established by small communities because of a necessity, now due to growth, have developed areas that overlap and duplicate areas in services and especially management. In the Portland Oregon metropolitan area, a merger was formed in 1989 between three departments, as a result of a hard look taken at the fire service (Tualatin Valley Fire and Rescue Department). Duplication was especially apparent at the mid management and support level such as finance, EMS officers, where managers were found in triplicate. (Pittard, 1993, pg. 1) Another driving force revealed by then Fire Chief Floyd Pittard that pushed the merger, was the different property tax rates set for the departments by the local governments in the area. The different rate charged in many areas of the Portland Metropolitan area was seen by the cities involved as exorbitant.

Point Montara and Half Moon Bay Fire Districts began looking at possible consolidation efforts in August of 1996 in a request made by one of the board members. A study had been completed several years ago into the issue of consolidation, but was determined by the Local

Area Formation Committee that it was not feasible due to salary differences between the two fire departments (Rice, 1996, pg. 1). Since then salaries have been adjusted, and other areas of integrated service such as automatic aid, joint training, and joint equipment purchasing has occurred. One question asked was why do we need two fire departments within seven miles of each other. Point Bay fire District covers six square miles, has eight paid personnel, and has a budget of \$940,000. The Half Moon Bay Fire District covers 40 square miles, has 23 full time employees, and a operating budget of \$3.5 million (Rice, 1996, pg. 2).

The successful consolidation of the Poudre Fire Authority in 1980, began as an effort on the part of the Poudre Valley Fire Protection District and the City of Fort Collins, Colorado, to take a comprehensive look at the regional approach to the provision of emergency services. Again lower long-term costs to the taxpayers, lowered insurance ratings, enhanced ability response ability during large crisis situation, and elimination of duplication of service were key goals (PFA, Annual Report, 1996 pg. 2). But the key factor prompting the move was a result of the fast growth of Fort Collins and expansion of the city limits. At least one county station would soon be annexed into the city. Without consolidation, the city would be forced to build and equip at least two new stations in a very short period of time. (PFD, 1998, pg. 1). This growth and annexation by the city impacted the Poudre Fire District who was already at their taxing limits and faced them with a serious shortfall in revenue . Due to new leadership during this time and the change of the departments work force, the cultural climate was also more receptive to a change which prompted the effort of consolidation. Another consolidation effort that finalized it's consolidation process in Colorado in 1996, was between the City of Thornton and West Adams County Fire District. One of the main reason for the effort in that area was due to the 1992 passing of the Tabor Amendment or "Taxpayer Bill of Rights". This amendment provided for only taxpayer approved tax increases, frozen mill levy at 1992 level, spending level limited to previous years spending plus inflation, and reduced tax levies (O'Hayre, 1996, pg. 1).

In his article, Consolidation/regionalization: Answers for the Future, Chief Charles Rule states that the most promising answer to future needs concerning the fire service is regional or county consolidation. In his address of the issue of jurisdictional boundaries, he indicated that annexation in particular has developed a crazy political subdivision that looks more like patchwork quilt than a rational protection service area (Rule, 1992, pg. 32). As government leaders look to the future, they must dissolve the issue of political boundary lines and respond the closest units. As cities grow closer together and border lines become blurred, the rationale behind the need for individual departments is threatened. According to experts from Emergency Service Consulting Group, duplication is a major indicator to consolidation or merger (Wagner, 1996, pg. 23). Cutting out duplication of services may save money allowing departments to expand in other areas. Regional departments are one cost effective method to afford full time personnel for advanced training divisions, code enforcement, arson investigation, and specialty teams such as Haz-Mat or High Angle Rescue.

In reviewing local factors in Reno County that have prompted the issue of consolidation or merger, annexation by the City of Hutchinson is always an important factor that has continued to arise over the years. In the 1979 report by the Metropolitan Study Commission in Reno County, the decision to study the fire service was a result of the uncertainty of Fire District #2 being able to maintain adequate service as a result of annexation by the City of Hutchinson. Although this has not proven the case in the past few years, the recent annexation of the Prairie Hills 5 Addition, has again prompted discussions. Fire District #2 is under the tax lid for 1998, with a valuation of \$55,732,908, and a total proposed budget for 1998 including employee benefits, of \$872,805, so at the present time funding may not be an issue (Reno County Budget, 1998, pg. 23-24). The major factors that will promote future annexation by citizens in Fire District #2 will probably be related to the issue of ISO ratings and resulting decrease in insurance premiums based on water supplies in the area (Dennis Clennan, personal interview, February 11, 1998). ISO ratings and resulting insurance premiums are based on several factors, but a key

ingredient is the availability of a water supply within 1000 feet. While all homes in the city currently have a class 3 rating, most residents in Fire District #2 have a 9 rating according to Bob Fee of Fee Insurance, located in Hutchinson. A class 9 rating would be located within 5 miles of a fire station, but does not have an adequate water supply. The difference between a class 3 and a class 9 rating based on a \$100,000 wood frame home built in 1995 with \$300,000 liability and a \$250 deductible results in a 42% savings (Bob Fee, personal interview, Sept., 1996).

The more alarming issue of potential future tax revenue loss for Fire district #2 is due to the issue of utility deregulation, "Free Wheeling", that is being discussed in the 1998 legislative session in Kansas. A draft legislation (HB 2619), proposed by the Retailing Wheeling Task Force in January of 1998, amends numerous statutes to provide for the retail competition of the electric industry in Kansas (League of Kansas Municipalities, Legislative Bulletin, January 1998). Kansas Power and Light currently operates a "peak demand" natural gas generated electric plant north east of the city in Fire District #2. Representatives from the plant indicated that the cost to produce fuel is much greater with natural gas than coal, 13-14 cents per k.w.h. compared to 15-20 cents per k.w.h. (Leo Gunzelman, personal interview, January 1998). It is assumed that if "Retail Wheeling" becomes effective in Kansas, that this power plant would possibly not be needed due to the cost to produce electricity. States such as Colorado, Missouri, Nebraska, and Oklahoma have lower electricity rates than Kansas which would put enormous pressure on them in the competitive market. Based on the current consumption of electricity at the model Kansas rates, the average reduction in primary electricity is expected to be 11.7% for residential, 22.8% for commercial and 23% for industrial customers (Kansas Public Finance Center, 1997, pg. 281). Fire District #2's 1997 budget is currently \$58,786 below the \$758,863 spending lid, but with the possibility of the closing of the KPL power plant due to deregulation of electricity, loss of revenue could become a key issue involving service to it's residents. The current assessed value of the power plant is \$12,206,957 with \$167,101.03 in yearly fire district tax revenue used to fund Fire District #2 (Jim Siemens, personnel interview, January, 1998). This amount of tax, represents

approximately 24% of Fire District #2's certified tax dollars, which would have a drastic impact on their budget and ability to continue the current level of service.

An issue that has prompted interest into a consolidation with Fire District #2 by the City of Hutchinson, deals specifically with future station locations due to growth to the north. As a result of growth, annexation, and increased response time to the north, it has become necessary to move or build a fire station to a new location to adequately cover this area of the city. Currently one of Fire District #2's stations is located to the northeast, within the city limits of Hutchinson. One of the suggestions made by the Metropolitan Study Committee in 1979 was the purchase of Fire District #2's station on 30th street in the city and the building of a new county station (Metropolitan Study Committee, 1979, pg. 11).

Another issue that also raises questions for the need of one consolidated department involves the area of response capabilities. Can either department manage multi incidents and still offer adequate coverage? Although mutual aid agreements are in place between the two agencies, and mutual aid agreements between Reno County Fire District #2 and the volunteer fire districts in Reno County and adjoining counties, it may take a considerable amount of time for the volunteer departments to respond. Reno County's policy is that until a Reno County unit is on the scene additional assistance should not be called. The issue also becomes what level of service is offered by joint department response and what level of standardization in incident management, operations, and training are in place? Due to a lack of manpower during times of vacation and or other personnel leaves, Fire District #2 is often times hindered in responding three person engine companies on either automatic aid or into their own response area. Even though there are separate agencies operating during an emergency, they must operate as one organization with consistent personnel levels, operating guidelines, and training, for personnel safety and effectiveness of the emergency operation.

The questions arises, can both fire departments separately meet industry standards by NIOSH, OSHA, and NFPA 1500 including the proposed 1200 standards on personnel requirements? In

January of 1998 OSHA promulgated its revised and modernized 29-CFR 1910 and 1926 standards which included a 2-in and 2-out rule for interior firefighting. This criteria is consistent with NFPA 1500-1997 (IAFC On Scene, February 1, 1998, pg. 1&4). It requires that an initial crew of four must be on the scene prior to the commencing of an interior fire attack. It also requires that those personnel working in IDLH (immediately dangerous to life and health) must use a buddy system with at least two persons outside the IDLH who can render immediate assistance to those inside if needed. This will necessitate a considerable amount of immediate manpower on the scene of a structure fire in order to functionally make a rescue.

Another factor that prompted the look into consolidation between the two departments was the issue of timing. With the retirement in the near future of both Fire District #2 chiefs, it seemed a fitting time to look at future needs, avenues to cut spending, and means to unify the two departments. While most consolidated departments face increased budgets until attrition of personnel and restructuring is completed, here the immediate problem with personnel costs and leadership should not be a factor due to the retirements. The bottom line on any effort at consolidation often falls back on factor of cost savings.

The question that leaders of both organizations in the Hutchinson/Reno County area should be asking is, are we supplying adequate coverage and protection for citizens, and if not, how can we effectively and financially provide for the future fire/EMS and emergency needs of the citizens of Reno County? This will involve looking at levels of service, station locations, manpower, cost efficiency, and training, which may well involve finding the solution to the question, can a joint department (consolidated) offer a better, more efficient, and cost effective service than either by itself?

BENEFITS OF CONSOLIDATION

In evaluating the benefits of a merger or consolidation locally, it is important to first look at the benefits found in other fire departments throughout the country that have

been involved in a consolidation. In 1996, Ron Coleman, California State Fire Marshall was quoted in an article in National Fire and Rescue stating, " Thirty years ago there were 1,350 fire departments in California. Today there are 950". He went on to say that at this rate he predicated there will be less than 200 by the year 2005 (Wagner, 1996, pg. 21). One example of this occurred between Sante Fe Springs, California Fire Department and the Downey Fire Department, as a result of recession and a reduction in funding. After an extensive analysis of consolidation, the conclusion and recommendation to the city council was that combining all of the activities into one agency made a lot of sense. In fact, they noted that even if there were no cost savings, it is still the most efficient way to provide fire management to both cities (Wilson and Irwin, 1993, pg. 24). Although a full departmental consolidation is not always the end result due to political conditions, regional efforts in some areas of the country such as the Miami Valley Fire/EMS alliance formed in 1995 with 30 Ohio departments, have been developed with good success (Alexander, 1996, pg. 92). Joint purchasing savings, programming, and increased efficiency has been some of the benefits of the melding of all the agencies into one large organization, but in this case without the loss of community or department identity.

Some of the general benefits that come out of a consolidation are, according to Charles Rule, a former fire chief and consultant, in an article by Stephanie Thompson for American City and County are; consolidated dispatching, lower apparatus replacement requirements, enhanced career opportunities, joint training facilities, and specialization of various functions. Other benefits unique to local conditions may be improvements to ISO ratings, cost reductions by volume purchasing, fewer stations due to larger scale planning, faster response times, more efficient personnel allocation, increased service levels for dollars spent, regionalized public education and information programs, consistent area wide code enforcement, elimination of redundancy resulting in cost savings, and better use of resources and reorganization (Thompson, 1992, pg. 25). In the book, A Systematic Approach to Functional Consolidation, by Tualatin Valley Fire and Rescue, the reasons offered for their consolidation effort between the departments

was to reduce cost, increase efficiency, and eliminate duplication (Tualatin Valley Fire and Rescue, 1996, pg. 6). Their effort has proven cost efficient and service levels have remained as good or better than before consolidation.

In an article by Mary Jo Wagner, on consolidation, she suggested both instructors, retired Chief Jack Snook and Chief Jeff Johnson of Tualatin Valley Fire and Rescue, indicated that improved effectiveness and efficiency are the most commanding advantages of consolidation and mergers (Wagner, 1996, pg. 23). Cutting out duplication will save money, better your service, and allow your department to expand or specialize. They suggested that quality and efficiency allows departments to capture the long term benefits. A decrease in the tax rate is another benefit of consolidation or merger according to Chief Johnson. Johnson has seen it happen with Tualatin Valley Fire and Rescue. Tualatin Valley Fire and Rescue was a result of a 1989 merger which after six years has seen a cost reduction of 40% (Wagner, 1996, pg. 23). Much of the cost savings was due to growth, but some of it is related to the merger and cost avoidance.

In reviewing consolidation benefits in the Colorado Area, several departments have been successful in consolidation efforts. A report on the 1981 consolidation between Fort Collins Fire Department and Poudre Fire Authority, revealed several benefits as a result. By combining resources, improvement was noted in fire protection, training, communications, suppression, vehicle maintenance, and inspection programs. The Poudre Fire Authority was able to comprehensively deal with fire problems that spanned political jurisdictions such as station relocation. The cost for fire protection was projected to be reduced by \$3 million dollars between 1981 and 1987. Other benefits to the consolidation include the ability to respond to large crisis situations, efficient use of staff personnel, reduced duplication of services, and improved insurance ratings (PFA Home page, 1998, pg. 3). The other recent merger in Colorado that was finalized and became effective in 1994 between the City of Thornton and West Adams County Fire District, resulted in North Metro Fire Authority. This merger offered savings to taxpayers between \$300,000-\$500,000 per year beginning in 1996 (CPS Home page, 1998, pg.

1). A total of \$500,000 was saved in the first two years with future cost savings projections over \$1.5 million in the first five years (O'Hayre, 1996, Consolidation Report). Other benefits include avoiding the duplication in fire stations, equipment, and staffing by realigning station locations and equipment. With the realigning of stations there will be one less station to maintain allowing revenue for the building of new stations. Response times will be maintained or improved the new Fire Chief O'Hayre stated in a recent report on the consolidation process. Additional benefits include reducing the immediate need for new apparatus, the elimination of duplicated special rescue services, investigation and public education teams and related training expenses, and combining vehicle maintenance.

In reviewing the benefits of the merger of the five districts in 1981 in Pasco County Florida, many benefits have resulted. This service was once fragmented into separate municipalities and districts. In 1980-81 the commission adopted a countywide mill rate for the first time which made it possible for high growth areas or struggling sparsely areas to get necessary equipment and capital improvements needed (Doyle, 1982, pg. 321). Over \$500,000 in savings was realized as a result of the is merger in 1980 alone. This was a result of bulk purchasing, centralized training, flexibility in manpower and equipment, less administrative costs, and other factors. Most of the savings resulted from the reduction in chief officers salaries, and equipment savings. A reduction in fire insurance ratings was also obtained reducing rates for thousands of residents and commercial customers (Doyle, 1982, pg. 38).

Other more recent mergers that occurred in Florida, that have had positive benefits, involved the City of Sarasota Bureau of Fire Rescue and the Sarasota County Fire Department in 1996. It was concluded that consolidation would improve the level of service and operations, reduce the cost of service, and lessen the effects of urbanization (SCFR Homepage, 1998, pg. 1). In addition to aligning and training the combined department with the National Incident Management ICS system, three division level positions; Emergency Medical Services liaison, Communications officer, and a Emergency Management liaison officer, were created as a

result of the merger. Several upper management positions were eliminated by attrition allowing for cost savings and allowing for an increase of firefighter/medic positions. Other efficiencies achieved over a five year period from the consolidation is estimated at \$5 million dollars in savings (SCFR Home page, 1998, pg. 3).

In looking at the expected benefits in the Reno County area as a result of a consolidation between the City of Hutchinson and Reno County, it is obvious that the suggested benefits are not out of line with other departments that have experienced a similar consolidation. Although the benefits of a suggested consolidation or merger are not proven, they represent an educated guess based on current information, 1998 proposed budget figures, and certain assumed facts. This includes the assumption that the Hutchinson Fire Department and Reno County Fire District #2 will merge, with the City of Hutchinson as the administrator. Cost savings projected reflect a short term plan of closing city station #1, relocating personnel and equipment to a county station, and the elimination of five positions through attrition (Frazier & German, 1997, pg. 2-3). Long term plans would possibly involve the closing of city station #5 and converting it into an administration, training, and inspection offices. Land and remodeling would need to be accomplished as well purchasing adjacent land for the location of a training facility.

In projecting the financial benefits to a merger of the two fire departments, it is important to note that the full impact would not be realized until through attrition five positions, including the two current District #2 Chiefs, become vacant and the Administration, Training, Maintenance, and Inspection Division are moved to a separate location. Also the proposal is that city fire station #1 would be closed and current manpower rearranged to the current city fire station #2 and one of the Reno County Fire District #2's stations (Frazier & German, 1997, pg. 2-3). The result of closing a station using the operating cost figures for a county station would be \$33,472, which is less than the average operating cost of a city station (see financial report, appendix F).

Additionally, the early cost savings resulting from the merger may be used to provide for a new training facility and a possible new station located to the north of the City of Hutchinson in Fire

District #2. Cost for a new station would be around \$750,000 while the training facility would be around \$225,000. Other start up costs will include station remodeling for the 30th street station, consolidating paging systems, and an upgraded communication system which may be partially funded by the county 911 tax fund.

Salary cost savings indicate a yearly savings of \$106,513 as a result of the elimination of five personnel (see salary chart appendix F). This would reduce one firefighter per crew and would replace one existing engine company with a squad for the 30th street county station. Employee benefits based on 15 additional positions reveal a cost savings of \$69,574 (see benefit cost chart appendix E). Until a blended retirement rate with KPERS/KP&F become effective, the City of Hutchinson will have to make up the difference from the county rate of 9.7% to the city's 19.6% which is approximately \$41,015 additional each year. The difference is a result of the District #2 only paying for futures in the retirement system rather than the City of Hutchinson who is paying for the past 40 years. Overall the cost savings resulting from the merger would result in a savings annually of \$209,559.00 which are figures based on 1998 budget and projected cost estimates from salaries, station closing, and savings from employee benefits. Other savings may result from the pooling of equipment such as pumpers, allowing the department an extended time before having to purchase new equipment. The City of Hutchinson utilizes a municipal equipment reserve fund (MERF) to accumulate funding for large equipment purchases. With the pooling of equipment from both departments and the closing of one station, funds may not be needed by the city to purchase a new pumper in 2000 for \$300,000.00 (City of Hutchinson, 1998, MERF budget).

Other projected benefits in addition to the financial benefit that would result from a merger would be increased immediate response and resource capabilities, better strategic location of stations, standardization of department training, operational guidelines, Inspection/Investigation, and specialty teams resulting in better efficiency, the possibility of lowered insurance ratings, increased safety of personnel, and overall less duplication of resources

resulting in better efficiency in the use of the tax dollar. Due to strategic locations of stations, overlapping of service would not occur while still allowing for a three mile diameter between stations (see map appendix C). Increased resources on the scene of a fire for patrons in District #2 would almost double (currently 6 personnel respond initially, in a merger 12 personnel respond), while also having additional resources available for a major incident or multiple incidents in either jurisdiction. The extra resources immediately available would not only increase the chances for survival for an victim of an incident, but would also allow an increased level of safety for firefighters on the scene. Utilizing a standardized operations, training, inspection/investigation, and maintenance program between the two departments as a result of a merger, should result in greater efficiency of operations and a more uniform and effective fire/rescue service.

It is possible that some residents in the county could see a insurance rate lower if it were proven that the fire department could provide a minimum of 250 GPM for two hours by tanker relay, relay pumping, or drafting from a water supply (ISO, 1980, pg. 27). In an interview with Bob Fee, of Fee Insurance, he advised that most of their insured properties outside the city in Reno County had a class 9 ISO rating which is based on 1-10 scale as determined by the Insurance Service Office, while city residents enjoy a class 3 rating. Although city residents have a class 3 rating, the rate charged is the same for 1-8 (Bob Fee personnel interview, September 16, 1997). Figuring a \$100,000 wood frame home built in 1995 with \$300,000 liability and a \$250.00 deductible, Mr. Fee quoted the following rates:

Class 1-8-----\$416.00

Class 9-----\$707.00

Class 10-----\$809.00

If a department has the equipment for a class 9 ISO rating, and can prove that it can move 200 GPM for 20 minutes without interruption within five minutes of arriving on the scene, it can end

up with a class 8 rating (Stevens, 1998, pg. 80). Corporately, all citizens in both jurisdictions could expect the same or better service, better coverage, and better efficiency.

LEGAL AVENUES TO CONSOLIDATION

In the State of Kansas, there is broad legal authority for units of government to cooperate in the performance of public functions and service. The areas of statutory authority given to facilitate a merger or consolidation between the City of Hutchinson and Reno County Fire District #2 may fall in one of four areas.

K.S.A. 19-3608 Fire District

This statute allows for the Board of County Commission to enter into a agreement with the city for fire protection and for use and maintenance of apparatus and equipment. It further provides that the supervision and control of such a fire department shall always be with the governing body of the city (K.S.A., 1995, pg. 913)

K.S.A. 12-2901 to 12-2907, Interlocal Agreement

The purpose of the act is to allow local government to make efficient use of their power by enabling them to cooperate with other localities, persons, associations or corporations, on the basis of mutual advantages. Public agencies may enter into a joint cooperative agreement to exercise joint power to provide fire protection service by resolution, ordinance, or other avenues pursuant to Kansas law. This agreement may provide for an administrator, joint board, separate legal entity, or one of the agencies to administer the joint undertaking (K.S.A., 1991, Pg. 345-348).

K.S.A. 12-3901-12-3909, Government Organization

This statue provides that city and fire districts can, by resolution, consolidate any of the operations, procedures, or functions performed by such agencies. A resolutions sets out the time, form, and manner of consolidation and designate the surviving agency. The final section in this statue however may limit the ability to use this statue because of the district's taxing

ability. It states that nothing in the act shall be construed as authorizing the consolidation of any political or taxing subdivision with any other political or taxing subdivision (K.S.A., 1991, pg. 382-383).

K.S.A 12-3910 to 12-3918 Consolidation of Fire Districts and Departments

Enacted in 1996, this act, upon petition by the fire district and the city fire department, allows the County Commission to consolidate by resolution. The approval is subject to a 60 day protest by 5% of the registered voters residing in the consolidated area. The County Commission appoints a governing board consisting of County Commissioners or a separate board of three to nine members. Although the consolidated department becomes a legal entity, the mill rate is limited to eleven mills (K.S.A. Supp., 1997, pg. 394-396).

In a meeting in September between joint city and county officials dealing with legal possibilities involving consolidation, it was determined that the most appropriate statute that would offer the best results locally would be to enter into an interlocal agreement based on K.S.A. 12-2901 et. seq. This would allow for the continuation of Fire District #2's taxing district, but would allow both departments to merge into one. Legal problems dealing with issues of equipment, tax rates, and oversight have been discussed between the two governing bodies, but no clear decisions have been reached. These are the legal questions that Fire District #2 citizens need addressed on maintaining some control over their taxing resources, equipment, and future revenue increases. Besides some form of a joint fire board being developed with either oversight or budgetary control, an agreement would need to be developed that spells out certain provisions and purpose for the undertaking. The precise organization, composition, and nature of any separate legal or administrative entity created under the agreement together with delegated powers must be addressed. It should address tax revenue issues, joint equipment, and other issues, as well as the duration of the agreement and disposing of property. It is necessary for Fire

District #2 to opt out of their current tax lid limit so that an agreement can be entered into with the city without financial restrictions.

In looking at other fire departments across the nation who have successfully formed a consolidated fire department, it is obvious by the number, that the interlocal agreement is the legal method most widely used. The consolidation between Sarasota City and Sarasota County Fire and Rescue in January of 1996 was successfully completed via a comprehensive interlocal agreement (SCFD Home page, 1998, pg. 1). This agreement preserved pension plans and other employee benefits, unified collective bargaining units, and established an equitable funding method. In Colorado in 1981, the Poudre Fire Authority (PFA) was established as a result of the consolidation between Fort Collins and Poudre Fire District. An interlocal agreement establishing the authority was adopted which was later modified in 1987 to correct some minor problems in the original agreement. This contract outlines the governance of the authority, terms, powers, organization, and financial policies. PFA is governed by a board of directors composing of two members from each council with the fifth chosen by these members. Traditionally, the fifth member is the Fort Collins City Manager (PFA Home page, 1998, pg. 1). Other recent mergers occurred in Colorado in 1994 between the City of Thornton and West Adams County Fire District, which resulted in the North Metro Fire and Rescue. In this instance, a similar interlocal agreement and make of their governing board was used. The governing board consisted of six members divided equally with the City Manager and District Board President sitting as ex-officio (O'Hayre, 1996, pg. 15). The Nevada County Consolidated Fire District, formed in 1991 by the consolidation of Gold Flat and Bullion Fire Protection District, is also governed by a board of directors. The seven member board meets on the third Thursday of each month at alternating sites to discuss issues (NCCFD Home page, pg. 1).

The legal statute used between Tualatin Fire Protection District, Washington County Fire Protection District #1, and the City of Beaverton in 1989, (Tualatin Valley Fire and Rescue) to unite the departments by an interlocal agreement, established an Intergovernmental Council made

up of two members of each fire district and two elected officials from the City of Beaverton (Tualatin Valley Fire and Rescue, 1996, pg. 155). The principal elected official or designee of each incorporated city within each of the fire districts that are parties to the agreement, are ex-officio members.

OPERATIONAL/PERSONNEL ISSUES INVOLVING CONSOLIDATION

Determining operational and personnel issues involved in a consolidation or merger will be varied depending on the level of merger, the type, and other factors. Departments who have previously entered into mutual aid agreements should have less problems and a less transition of change than those departments who have not had a working relationship. Departments such as Wichita Kansas Fire Department and Sedgwick County sought a operational functional consolidation solution called "Enhanced First Responder", which began in 1994, to increase the level of service by erasing boundary lines and formulating one joint communication system between the two paid departments (Masters & Rudd, 1994, pg. 1). These type of mutual aid agreements or functional agreements allow departments to work more closely together with operating guidelines, training, communication, and equipment which would allow for smooth transition if a future consolidation is considered.

Operational issues that need addressed may involve areas such as station locations and manpower, standard operating procedures, rules and regulations, response guidelines, communication system, promotional and hiring practices, equitable rank and manpower issues, mutual aid agreements, standardization of equipment and testing, health and safety standards, and uniform training standards, and uniform code enforcement, and a transition period where changes that effect the organizations effectiveness and employee are as minimized as possible.

Although bargaining unit issues and employee benefits are not directly related to

operational issues, personnel issue must be addressed to facilitate any type of a merger. In the merger resulting in the Poudre Fire Authority in 1981, the most obvious difference between the departments was the pay and benefit packages and the different pension plans (Mulligan & Willis, 1981, pg. 69). Other issues were the transition period and possible reduction in manpower, as well as union representation. In her article on consolidation in 1992, for American City and County, Stephanie Thompson suggested that labor groups should be involved from early on in the planning process or it may be doomed to failure. She also stated that consolidation cannot be a disguise for a reduction in personnel (Thompson, 1992, pg. 29). During the initial study of the merger between the City of Thornton, West Adams Fire Protection District, and the City of Westminster in 1992, one of the administrative philosophy differences that may have had a impact on the City of Westminster not entering into an agreement with the other two agencies was the non recognition of union representation (Long, O'Hayre, Cloud, 1992, pg. 8). Both the City of Thornton and the West Adams Fire Protection District reached a new union agreement after six months of reconciling differences and philosophies, before the merger into the North Metro Fire and Rescue department occurred. It had been agreed to early on by management, that no employee would be less well off under the new contract (O'Hayre, 1996, pg. 13).

Reorganizing personnel in many cases needs to occur as a result of duplication of services while in other cases a retirement of one of the chief officers may prompt the speed of consolidation efforts. Reduction of personnel by attrition is by far the most viable means of reducing duplication, but may necessitate a change in priorities to find new positions for personnel effected. The important thing is that people must be assured that they have a place in the organization, a useful job to do, and their future is secure (Tualatin Valley Fire and Rescue, 1996, pg. 126). Along with reorganization, an important point is to begin to immediately intertwine personnel into the consolidated department illuminating and removing departmental barriers of the past.

In the consolidation effort between the City of Hutchinson and Reno County Fire District, similar operational and personnel issues arise that plague other departments who are considering consolidation. Although through a mutual aid agreement exist between the two departments allowing some standard utilization of operating guidelines, manpower differences have created a difference in firefighting philosophy. While the majority of Reno County Fire District #2's experience may come in wild land firefighting with little water supply, city firefighters focus more on structural firefighting with adequate water supplies. For example, during 1997, the City of Hutchinson responded to 89 structural fires while only responding to 31 grass fires (Hutchinson Fire Dept. Annual Report, 1997, pg. 20). A limited amount of joint training is currently taking place to in an effort to standardize operating differences between departments, but for maximum efficiency, this needs to function under one department. Although both departments have communication ability on alarms, the City of Hutchinson currently has only one frequency with very limited range capabilities. They are currently in the process of updating the number of frequencies and range, using a repeater, to increase the communication abilities. Both departments use a similar coded paging system used for dispatching alarms and does present any difficulties in the consolidation effort. Under an initial proposal suggested by the two chiefs, one city station would be closed and 15 additional personnel added to the current 77 personnel of the City of Hutchinson. This would necessitate remodeling of several stations and relocation of resources. If the other suggestion for the conversion of city station 5 to offices and a training facility occurs, a new station located to the north in the county would need to be built (Frazier & German, 1997, Pg. 3).

Employee benefits, pension plans, and salaries between the two departments are fairly close according to 1998 projected budget figures (see financial statistics, appendix F). The differences in benefit packages between the two departs reveal similar cost benefits although significant contribution differences to FICA and in contributions to the KPERS/KP&F state retirement system are seen (see appendix F). The City of Hutchinson does not pay into FICA as

does the county, but they are required to contribute 19.6% for retirement benefits for city employees in contrast to 9.7 required from Fire District #2 employees (Frazier & German, 1997, pg. 5). The reason this is necessary is that the fire district employees are only paying for futures in the system while city employees are also paying for the past 40 years. This amounts to approximately \$41, 015 the first year until a blended rate occurs (Frazier & German, 1997, pg. 5). While the City of Hutchinson recognizes Union 179 as the bargaining unit, Reno County does not recognize a bargaining unit for Fire District #2, which may require the opening of the contract. Other issues such as the time frame, organizational structure, standard operating guidelines, equity in ranks for each department, promotional practices, and other operational issues, need addressed by both departments to facilitate the consolidation effort. At the present time, the Hutchinson Fire Department organizational structure utilizes a minimum of three man engine companies with a Captain in charge, and two man Squads and Aerials with a Lieutenant utilized as a first line supervisor. One Battalion Chief is assigned to each of the three shifts and is responsible for 5 stations (see organizational chart, appendix G). Fire District #2 currently operates with only three personnel at each of it's two stations and may operate at times with only two persons (see organizational chart, appendix H). The question of equal code enforcement in both jurisdictions cannot be addressed until both governing bodies accept the same fire codes. While the city of Hutchinson has adopted the 1991 Fire Code, Reno County has not adopted any fire code and is under the State of Kansas's, Life Safety Code. Additional personnel resources offered as a result the merger, will assist in meeting minimum manpower standards. The issue of differences in the promotional practices, other operating guidelines, and other issues yet to come, need to be answered and will take a joint effort to solve. The time frame necessary for operational consolidation efforts between the two departments is varied, but would necessitate allowances for standardization of operating guidelines, joint training, consolidated communication systems, station remodeling, and retirement of chief officers, to be most effective.

OTHER FACTORS THAT EFFECT CONSOLIDATION EFFORTS

Not every consolidation effort may be practical or have a happy ending even though in some cases it would be the most beneficial for the department and citizens. In an article on consolidation, by Mary Jo Wagner, she quotes Chief Jeff Johnson of Tualatin Valley Fire and Rescue who had been involved in a successful consolidation as saying, "The four main obstacles to a merger or consolidation are turf, power, politics, and control" (Wagner, 1996, pg. 23). In the same article Retired Chief Jack Snook added that the biggest issue that is normally faced with consolidations is a loss of control (Wagner, 1996, pg. 23). According to Charles Rule, with all the benefits of consolidation, it would seem that everyone should be interested in looking at it, however, this is not the case because of one thing, "power" (Thompson, 1997, pg. 27). Early meetings involving the three departments in the Tualatin Valley Fire and Rescue merger were disheartening to say the least, according to Chief Pittard (Thompson, 1996, pg. 27). The attitude that we can do it better needs to be given up, because that attitude can only go so far on limited dollars. Barriers such as these must be discussed and broken down before efforts dealing with a consolidation can progress. As early as 1935, studies were conducted in Contra Costa County, California, to study the issue of consolidation. The problem then according to Fire Chief A. V. Streuli, was fire chiefs, politicians, and unions all took a selfish approach, with a resulting lack of action (Streuli, 1970 Pg. 15). It wasn't until 1964, that consolidation efforts in this California area prevailed. Other issues that may be a factor in hindering consolidation involve the stigma that volunteer departments are inferior to paid departments or that city Departments are superior to county departments. The Parkwood Volunteer Fire Department and the City of Durham, in North Carolina, are an example of a consolidation effort that may have been hindered as a result of this stigma, according to Chief John Rudisil, of Parkwood Volunteers (Wagner, 1996, pg. 23).

Opponents to consolidation come in all forms. These may include elected officials, city managers or county administrators, citizens, firefighters, or even the fire chiefs themselves. Trust is the area that is important because, it takes a lot of time and demonstration to be earned, but

lost quickly. Change is not easy for anyone, which includes organizations and cities, and must be addressed as a process and not an event to be successful. The most general lesson to be learned according to John Kotter, a professor of leadership at Harvard Business School, from the more successful cases is that change process goes through a series of phases that usually require a considerable length of time (Kotter, 1995, pg. 59). He lists eight major factors why change may fail.

1. Not establishing a great enough sense of urgency.
2. Not creating a powerful enough guiding coalition.
3. Lacking a vision.
4. Under communicating the vision .
5. Not removing obstacles to the new vision.
6. Not systematically planning for and creating short-term wins.
7. Declaring victory too soon.
8. Not anchoring changes in the organization's culture.

According to Chief William Hewitt, in his book Recreating the Fire Service, he states that changing any culture is extremely difficult and changing a fire department's culture is even more so because of its development over a long period of time and its relative static state (Hewitt, 1995, pg. 27). Tradition is one of the cultural forces that attempts to invade many efforts toward consolidation.

A lack of information flowing is another problem that may exist that will hinder change efforts involving consolidation. This will include the elected officials, staff, personnel, citizens, and the media. According to Chief Johnson of Tualatin valley Fire and Rescue, and retired Chief Jack Snook, keeping you elected officials and staff well informed is a key to success which they call "rumor control" (Wagner, 1996, pg. 24). This problem was seen in California during the proposed 1979 merger between San Carlos Fire Department and Belmont Fire Protection District. The Secretary of the local Union 2400, Dave Blewett, wrote an article in response to a previous

article in periodical, The California Fireman, which had discussed the planned merger. Although he stated he was not against a merger, he felt the article was premature, incomplete, and misleading (Blewett, 1980. pg. 8). In his article he felt that management had used deceptive methods to use Proposition 13 as a ruse to launch the city administrators schemes. In the Tualatin Valley Fire and Rescue case study on , Systematic Approach to Functional Consolidation and Merger, one reason stated for support by constituents and media is that they were kept well informed (Tualatin Valley Fire and Rescue, 1996, pg. 183).

In the Hutchinson/ Reno County Fire District #2 consolidation issue, several of the key contributors that hinder change have emerged, even though city and county administrators appear to be supportive and efforts have made to keep employees informed (see news article appendix E). The key issue that needs to be addressed by both governing bodies that will take effort and trust, is with "control". The issues of who will oversee the control of the department, how will a board be made up, and what agreement can be reached by leaders to manage equity and control of the taxing authority needs answered. The issue of deregulation of electricity and the potential loss of fire tax with the potential closure of the KPL plant, would have a negative effect even if the consolidation were initiated. The consolidated department would have to either absorb the tax, increase the tax in Fire district #2 or corporately raise revenue.

Where little information has been given except through a financial and benefit study and preliminary meetings, assumptions in many cases by county employees and Fire District #2 residents, have replaced the facts (see news article, appendix D). A petition was filed by residents of Fire District #2 requesting an election on whether to remove the tax lid for Fire District #2 (Green, 1998, pg. 1). Commissioners have said they would send information letters several day in advance of the mail-in ballots listing the pro's and con's (Green, 1998, pg.1). In an editorial published in the Hutchinson News in December of 1997, Fire District # 2 employees saw the effort toward consolidation of the two departments as a takeover of their department resulting in no voice in the future of their department.

PROCEDURES

In conducting this research, the current issue of consolidation between the City of Hutchinson Fire Department and Reno County Fire District #2 was evaluated using information derived from both past and current literature reviews on topics associated with consolidation, interviews with key people, budget reports, and case studies involving other fire departments who are presently involved in or who have been involved in a consolidation in the past. The goal was to look at the feasibility of a merger between the two departments by looking at the common factors associated with a consolidation or merger experienced by other departments, and then look at specific areas of interest in the Hutchinson/Reno County area. The research was focused on issues that prompt consolidation, benefits, financial issues, legal avenues, operational and personnel issues, and other problems associated with a consolidation of fire departments. Every effort was made to keep an open mind and attempt to understand the logic behind the positions expressed by the agencies and individuals identified in the research.

By evaluating research information from articles, interviews, and other departments it was hoped to gain a better appreciation of the past, present, and future of consolidation efforts as well evaluating consolidation needs locally. It was hoped to identify key factors that may arise that complicate or hinder the effort. Both departments future needs were evaluated based on present manpower, area covered, station locations, population, ISO ratings, financial impact, and services offered, to assist in determining the feasibility of a merger. Because much time and effort has been spent on studies in the past attempting to create a workable joint solution between the city and county in offering a more efficient and cost effective fire service with little results, it was hoped that this research would enlighten the reader on the many broad issues involving consolidation and focus specifically on the issues between Hutchinson and Reno County Fire District #2.

RESULTS

The results of the research into the question of the feasibility of a merger between Hutchinson Fire Department and Reno County Fire District #2, were based on conclusions reached by the information and data obtained. Applying the research questions to the study, allowed a conclusion to be formed based on other department's experience as well as specific circumstances in the Hutchinson/Reno County area.

Research Question #1

What factors impact each governing body and their respective fire department that prompts the need to explore consolidation and what success have other departments had who have faced similar issues?

Although the normal factors that prompt the study of consolidation with most fire departments such as budget constraints, cost savings, duplication of service, annexation by the city, and cost savings, and increased service, are not the main factors that may prompt officials in Reno County to consider a merger of the two fire departments, these factors will ultimately have a significant impact. Although annexation of property by the city to the north may have an impact in the future on Fire District #2's tax base, at the present time it does not pose a significant threat because it appears to be limited to new development. Annexation would become a factor by reducing Fire District #2's tax base if the City of Hutchinson's infra-structure (water supply) were developed in areas such as the Spyglass addition. If citizens insurance premiums could be reduced by a reduction in ISO ratings, then a much greater percentage of current Fire District #2 residents would support annexation.

A greater threat to the loss of revenue to Fire District #2 could come as the result of the pending bill allowing for the deregulation of electricity or "Retail Wheeling". If the bill is passed, it will very possibly prompt Kansas Power and Light (KPL) to close the current "peak demand"

power plant due to the high cost of producing natural gas electricity. This fire district tax paid by this plant amounts to approximately 24% of fire District #2's revenue.

Another factor that effects both departments, that prompts officials to look at consolidation, is the initial ability of each jurisdiction to manage multi-incidents or a single large incident and maintain an adequate level of service to other patrons as well as the ability to meet new minimum manpower standards. Although mutual aid agreements are in place that assist with peak demand responses, the time frame for assistance, is often after the fact. Along with increased response resources, is the increased service that could result from one department offering standardized training, inspection, and operating guidelines.

As result of city growth and the current locations of fire stations, strategic station locations that will offer optimum response was a concern. Growth of the city has resulted in a poor distribution of fire stations resulting in some cases of a overlapping of service with the county. One Reno County Fire District # 2 station is located within the city limits as is located in area where a city fire station should be located. The city also has two stations in the southcentral area that are located in close proximity. With the growth of the county and city to the north of the city, a county station would be better served to the north.

One of the major contributing factors that prompt consolidation in most efforts is the issue of cost. Can the level of service be continued at a reduced cost to the taxpayers is a question often asked. In the Reno County area, this question is directly tied into the timing such a venture. The retirement of both chief officers for Fire District #2 within the next two years allows a time frame for which financial advantages can be gained.

Success stories of increased efficiency and cost savings have been recorded all over the country for the past twenty years with fire departments that have merged. Although many have chosen to partially merge functions or use mutual aid agreements, many such as Tualatin Valley Fire and Rescue in Oregon, Pasco County, Florida, Sarasota County, Florida, Jacksonville Fire

Protection District, Poudre Valley Fire Authority, Colorado, and North Metro Fire and Rescue in Colorado, have been successful in a full fire department consolidation.

Research Question #2

What are the projected benefits that can be expected if a consolidation between the two fire departments occur and is there a financial savings?

The suggested benefits of a merger between the City of Hutchinson Fire department and Reno County Fire District #2 department are based on the assumption that the two departments will merge with the City of Hutchinson as the administrator. It is also assumed that one city station will be closed and manpower relocated to current city and county stations. The full financial impact would not be realized until a reduction of five personnel including two county staff officers will occur through retirement and attrition, a city station is closed and departments such as Training, Inspection, Maintenance are relocated, and start up costs are covered. Start up cost which include a standardized communication and alert system and remodeling costs for one of the county stations are not deducted from the cost savings because they should be budgeted for and completed prior to the consolidation. The additional retirement charges for county employees will have to be absorbed by the city until a blended rate occur. It is also assumed that as a result similar instances and outcomes in other departments that we can expect similar results in this situation.

Benefits in service which have proven effective in other departments involved in a consolidation which should also prove effective here would be in increased response capabilities for Fire District #2 patrons, increased efficiencies for both departments through standardization of training, operating guidelines, and equipment, and the possibility of lowered ISO rating resulting in decreased insurance premiums for residents in Fire District #2. The City of Hutchinson would benefit specifically by having additional flexibility in resources to use during multi incidents and the increased response capabilities for the northern part of the city.

The projected cost savings that could be expected from a merger would be \$209, 559 per year. This includes salary savings of \$106,513 by reduction of five personnel, employee benefit savings of \$69,574, and \$33,472 as a result of closing one city station. This savings could be used to fund the relocation of city fire station 5 to an area in northern Reno County Fire District #2 and the subsequent remodeling of station 5 to offices and a joint training facility. The financial savings may be impacted if deregulation of utilities occurs.

Research Question #3

What legal avenues are available in Kansas for merging a city fire department and county fire district that will offer a satisfactory result for both governing bodies?

There are four areas of statutory authority given in the State of Kansas to facilitate a merger although only two would be practical for both departments. K.S.A. 12-3910 et. seq. has a maximum mill rate levy required under the law which would not be practical for a paid fire department. K.S.A. 12-3901 et. seq. has a section that limits the ability to use this statute because of the fire district's taxing ability. K.S.A 19-3608 which is the fire district statute, allows the Board of County Commissioners to enter an agreement for fire protection and provides for the supervision and control of the department to be in the hands of the governing body of the city. K.S.A. 12-2901 et. seq. allows for the most efficient use, cooperation, and flexibility between agencies by enabling officials to enter into a joint agreement that will address issues. This agreement is by resolution and may provide for an administrator, joint board, separate legal entity, or one of the agencies to administrator. The agreement should covers areas such as governance of the authority, terms, powers, organization, and financial policies. The agreement may also include sections on funding methods, equipment use, preservation of pension plans, employee benefits, and unified collective bargaining units. In researching the most common method used in consolidation efforts, it was found that most departments used some type of interlocal agreement with an overview board or fire board made up representatives from each jurisdiction.

Research Question #4

What are the operational and personnel issues between the two departments that need addressed in order to facilitate a merger?

In order to facilitate a merger between Reno County Fire District #2 and the City of Hutchinson Fire Department, there are a variety of operational and personnel issues that need addressed. Because Reno County Fire District #2 is not covered by a bargaining unit and most employees of the Hutchinson Fire Department are, an agreement would have to be worked out. Issues such as rank, seniority, benefits, pay, and a variety of other employee benefits would have to be addressed and some form of agreement reached. The operational issues involving a merger include, but are not limited to station locations, remodeling needs, manpower placement, uniform standard operating procedures and administrative guidelines, standardized rules and regulations, upgraded communication systems and procedures, equitable rank and promotional practices, mutual aid agreements with other departments, standardized equipment, uniform training standards, uniform inspection and code enforcement, and a time period that will allow for a smooth transition period. Some of these issues have been addressed to a small extent through mutual aid between each department, but to function efficiently they will need to be molded into one department.

Research Question #5

What other factors will play either a positive or negative role in a merger or consolidation between the two departments?

There are several other factor that may have an impact on any consolidation effort. Reports indicate that the main obstacle that needs to be overcome in most consolidation efforts are power, control, and turf. These are usually seen at the upper management level, however employees of either department or citizens may feel a loss of control or power. Opponents or proponents may come in a variety of forms include elected officials, citizens, firefighters, and even fire chiefs, whose position may change during the consolidation process.

Trust between governments and departments is something that takes a long time to develop but little time to loose, and may play an important part in the consolidation process. Although the past has seen some cooperative efforts between the city and county in the communication center and law enforcement facility, little progress has been made in consolidation efforts between the two fire departments. Trust in governments is something that many people question in today's society. Mutual aid agreements which are currently in place in most cases has helped to aid in the working relationship between departments, but these relationships may be strained by merger attempts. Communication of information has also proven to be one of the most vital links in a successful merger attempt and in areas where little communication has been given to the involved people, assumptions and speculations usually occur.

The process of change itself, has proven to be an enemy to many new change efforts. The fire service in the Hutchinson/Reno County is like most fire departments across the country which are very steeped in tradition. Each department has a history and an identity and anything that threatens their turf, will usually face opposition in some form. With initial efforts begun by local elected officials with positive results, a lack of information has resulted in employees and citizens taking a negative stance.

DISCUSSION

After researching the issue of consolidation or merger on the national and local level, it was found that many of the same issues, problems, and possible solutions were found in other departments that have or will occur between the City of Hutchinson and Reno County. Although there are some departments that have had little success with a full consolidation for a variety of reasons, the majority of literature and case studies reflect a positive effect. Many common advantages were discussed such as elimination of duplication of service, cost savings, increased efficiency and resources, and standardization of training and operational guidelines, to name a few.

At the present time in Reno County, both departments appear to be operating effectively but not necessarily efficiently. With growth to the north, annexation, increased demands for more service, and potential tax revenue loss due to deregulation and inflation, the current level of service will or may not meet citizens future demands for fire/rescue service. With a county fire station located in the city limits and a duplicate set of staff officers in close proximity, there is an obvious overlapping of service and administration. Although mutual aid agreements are in place, the next step in the upgrading of service levels may be consolidation.

Although through a reorganization and reduction of manpower, a considerable cost savings each year can be expected with no loss of service, there will be some initial costs involving the retirement system, communication system needs, and remodeling one station, that will reduce the short term financial effect. Long term financial savings should be available to assist in, equipment purchases, future relocation of one station in the county and development of the current station into a training facility, and more effectively managing the cost of fire service in Reno County. Effects of electrical deregulation will have a financial impact that may prompt efforts at consolidation although, it will still be an financial issue concerning who will have to make up the tax loss.

The interlocal agreement is by far the most flexible, efficient, and proven means for governing bodies to enter into a cooperative agreement which has proven effective in many departments. Several issues will have to be discussed and agreed upon by city and county officials dealing with the agreement before a merger can move to the next step. Questions on the type, makeup, and authority of an oversight board, equity in taxing, as well as personnel issues are a few of the major topics that would need to be addressed in the agreement.

Operational and personnel issues such as union agreements, employee benefits, standardization of equipment, operations, and training are a few issues that must be overcome before a merger could be successful. These issues, although important, will usually follow after officials have made a commitment to the venture. In earlier attempts at consolidation

in this area in 1992, it was attempted to address these issues prior to a commitment by governing bodies which resulted in a failure.

Timing and open communication, are two other factors that may have an important impact on the success of a consolidation effort. If communication to all involved parties is not successful, a lack of trust will quickly develop and many people such as the media, elected officials, employees, and citizens, may become opponents. The pending issue of opting out of the tax lid, that will be voted on by residents of Fire District #2 in April of 1998, will have a significant impact on the future of the effort. For success to result informative information on the key issues must be presented by local officials.

RECOMMENDATIONS

In reviewing the consolidation effort between Hutchinson Fire Department and Reno County fire District #2, there has not been a shortage of past studies that recommend a merger. In order to plan ahead for future fire/rescue service in the community, officials, department heads, employees, and even citizens should look at means to increase efficiency while reducing or holding spending costs. In reviewing information on consolidation from other departments and issues between Hutchinson and Reno County, the benefits and timing would by far favor a merger or consolidation between the two fire departments. The biblical verse in the book of Ecclesiastes 4:9 sums up the principle of cooperative efforts which may apply in this situation. It states, "Two are better than one; because they have a good reward for their labor" (National Bible Press, 1957, pg. 921). The findings of this research on the feasibility of consolidation between the City of Hutchinson Fire Department and Reno County Fire District #2 reveal that one consolidated fire/rescue department would be more efficient by reducing duplication in management and reorganizing manpower and station locations, save money by a reduction in personnel and equipment without compromising service levels, offer at least the same or an increased level of service, and allow flexibility in resources to cover major incidents. There are

statutes in place for a merger to occur by using an interlocal agreement, although there are some barriers and issues that need addressed by both governing bodies that assure citizens and employees that some equity will exist. This change process would not be an easy task, but similar cases with other departments have proven to be very efficient and productive.

Past differences, lack of trust, and control issues, must be put aside by all involved persons and organizations and must look to the future to what is best for the citizens. Embarking on a any change that pursues the unknown, is not an easy task, and although painful, the results may be very rewarding in the long run for all involved. Recommendations based on this study would encourage governing bodies to address the legal and personnel issues and allow the two fire chiefs to develop a workable time frame and operational plan for implementation. In order for the April 1998 vote by residents of Fire district #2 , on the opting out of the tax lid for Fire District #2 to succeed, factual information must be put forth to employees and the citizens of Fire District #2. Both governing agencies must show strong support for the effort to succeed. Although the unknown is often times painful, hopefully one can use past failures, present accomplishments, and a future vision to provide a more efficient fire service in Reno County.

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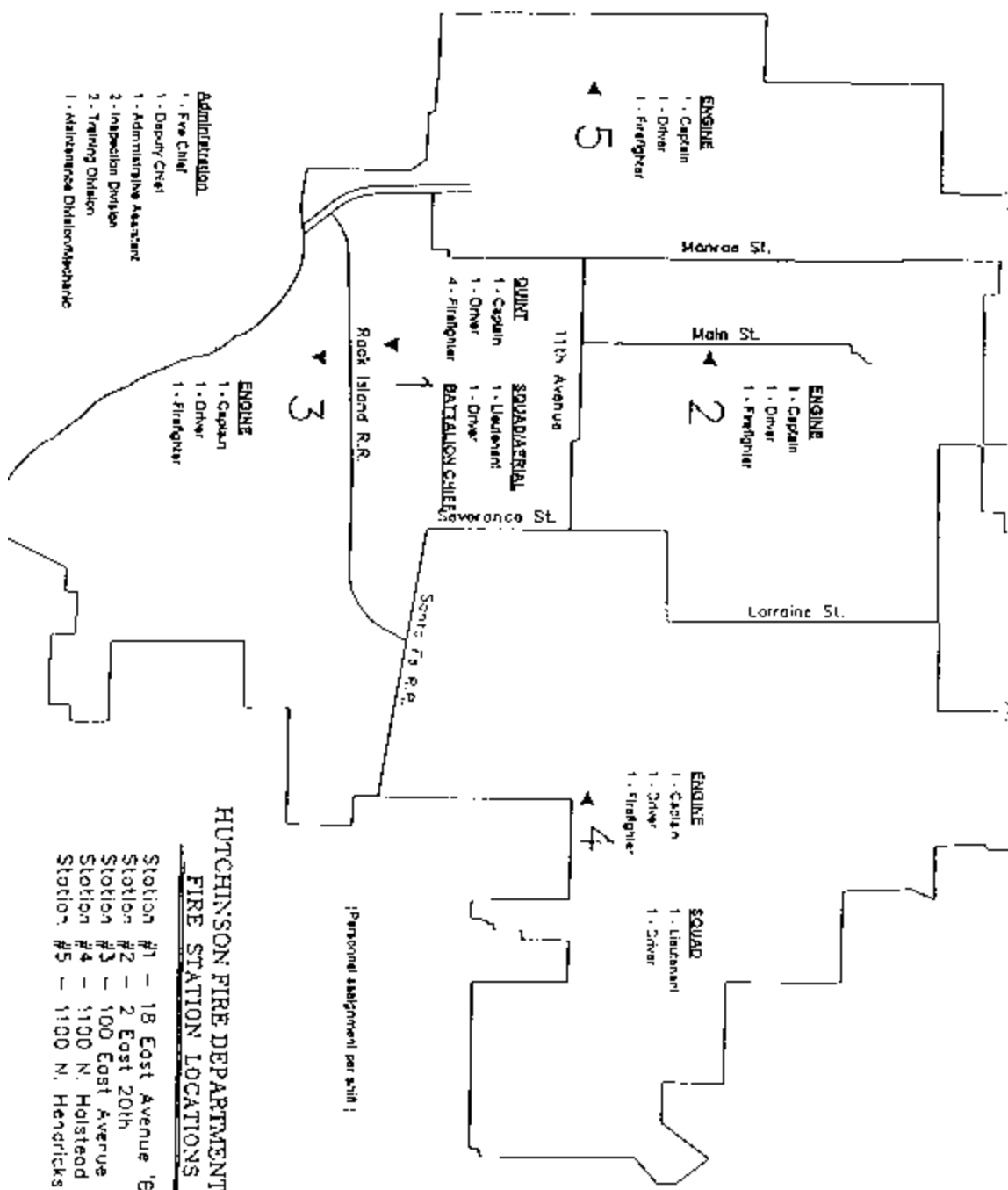
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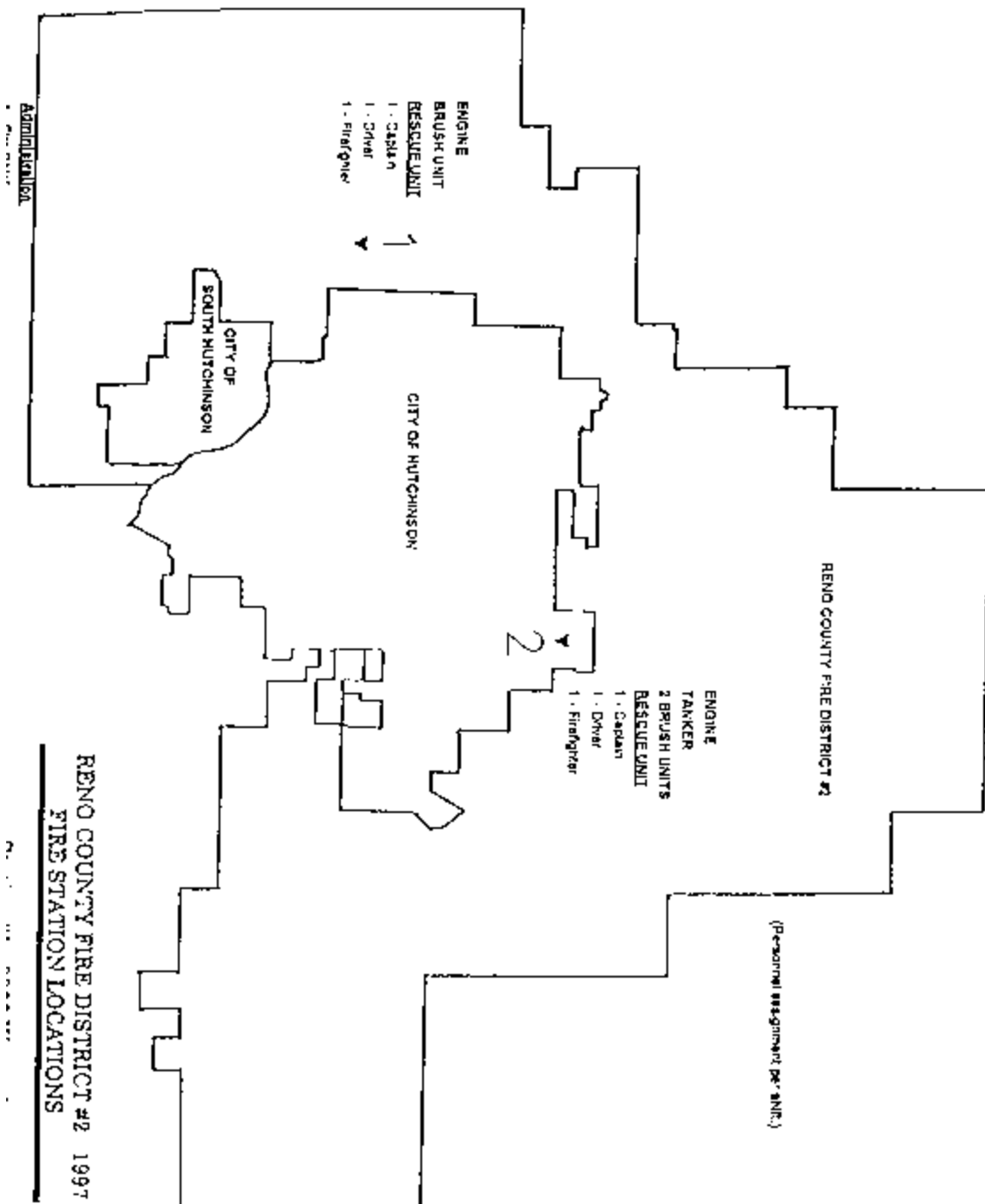
APPENDIX

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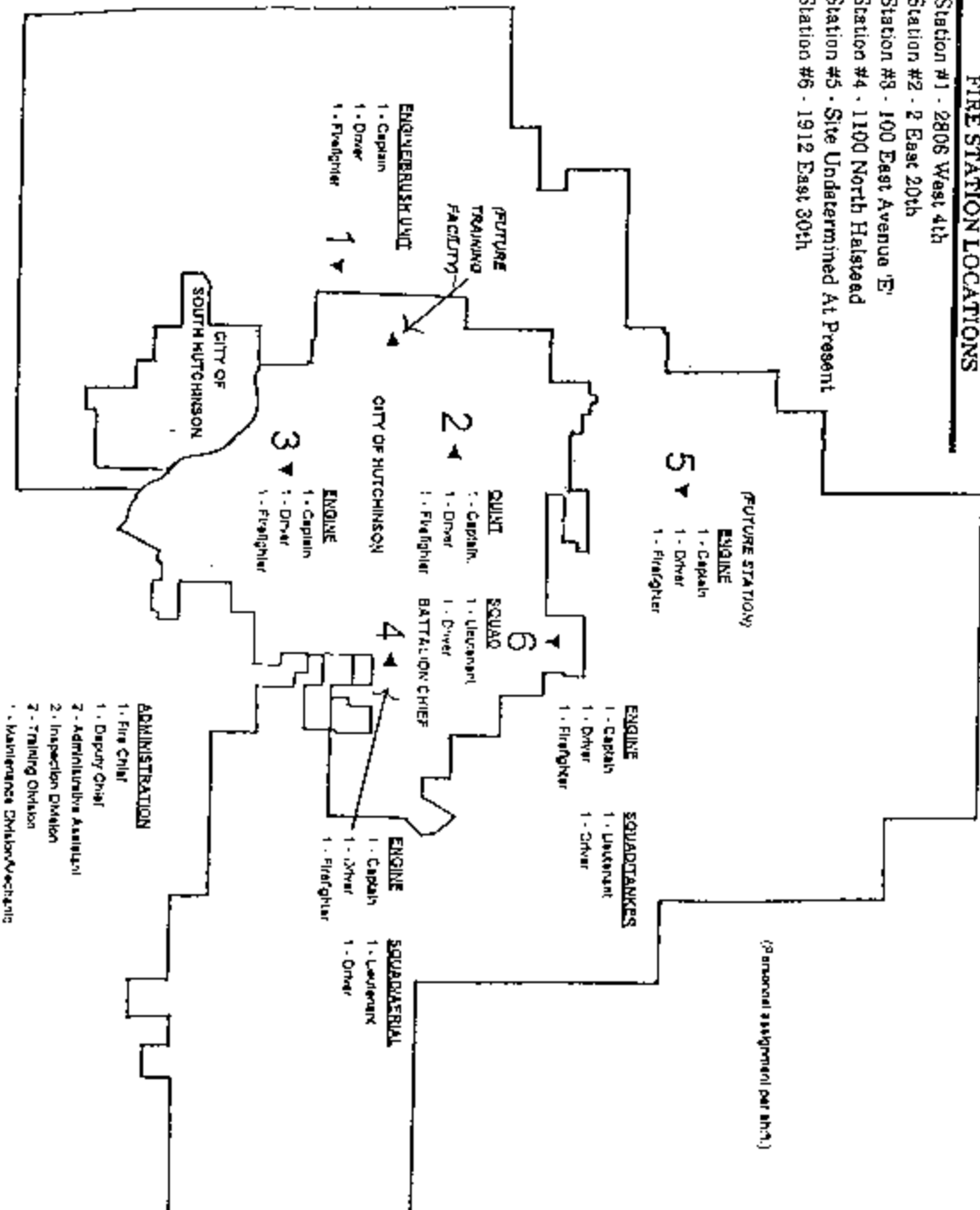
HUTCHINSON FIRE DEPARTMENT
FIRE STATION LOCATIONS

Station #1 - 18 East Avenue 'E'
 Station #2 - 2 East 20th
 Station #3 - 100 East Avenue 'E'
 Station #4 - 1100 N. Holstead
 Station #5 - 1100 N. Hendricks



PROPOSED MERGED FIRE DEPARTMENT 1999
FIRE STATION LOCATIONS

- Station #1 - 2806 West 4th
Station #2 - 2 East 20th
Station #3 - 100 East Avenue 'E'
Station #4 - 1100 North Halstead
Station #5 - Site Undetermined At Present
Station #6 - 1912 East 30th



Thursday, February 19, 1998, Hutchinson, Kansas, 20 pages, Year 126, No. 231

The Hutchinson News

Tax election to be done by mail

Voters in Fire District 2 asked to remove tax bid to allow merger with city

By John Green
The Hutchinson News

An election on whether to remove the tax bid for Reno County Fire District 2 will be decided by mail ballot, Reno County commissioners said Wednesday.

All 4,425 registered voters within the special assessment district should receive ballots by April 9. The completed ballots must be returned by noon April 21, said Shart Gagnebin, Reno County clerk.

Commissioners said they also will send letters to every household within the district a few days before the ballots

go out, listing pros and cons of the issue. "We felt this would be the best way to reach all the voters," Commissioner Larry Sharp said. "It's also supposed to be at least \$1,000 cheaper to do by mail than have people go to the polls."

The estimated \$6,000 to \$8,000 cost for the election comes from the fire district's budget, commissioners said. The informational mailing, expected to cost several hundred dollars, comes from the county's general fund.

Less than a dozen people concurred about the tax vote attended Wednesday's commission meeting.

"We are at a crossroads," Sharp said. "Boards in the past have been criticized for being reluctant to merge or consolidate. It will be up to the people. But I am solidly behind investigating this merger

further, so the viability and continued operation of Fire District 2 is ensured for our kids and the next generation of residents who live there."

Commissioners and County Counselor Joe O'Sullivan spent 15 minutes answering questions, repeating explanations that the tax bid must be removed in order to merge the paid rural fire district with Hutchinson's fire department.

Funding for employee benefits, currently not under the tax bid, would shift to capped funding when firefighters become contract city employees. There is not enough spending authority under the bid to do that. Without the spending authority, the two departments cannot merge.

The actual property-tax dollars collected won't change - at least during the first year. "Taxes are likely to go up in the future

whether you remain under Fire District 2 or merge," O'Sullivan said. "We will have to have in the contract (with the city) that costs of operation for District 2 will be no greater than if it operated solely. If we cannot have that guarantee, then the commissioners are not interested in contracting with the city."

Jim Posey, one of the people who carried petitions to force the tax-bid vote, suggested the county take over city fire operations, rather than the other way around. "I'm not opposed to building new fire stations in the rural area," Posey said.

"We probably need that, and it's the proper thing to do. But I hate to see the rural district, more or less, taken over. We're probably going to be paying for a lot of city stuff. If we take the bid off, it's a blank check. And I can't quite see that."

District 2 will lose voice in fire merger

The employees of Reno County Fire District 2 would like to respond to a recent article and editorial in The Hutchinson News, which we feel were slanted, with little stated in defense of District 2 taxpayers and the district's fire department.

To begin with, we don't consider this a consolidation. Everything will belong strictly to the city of Hutchinson. District 2 patrons will have no voice in the future of this department. Thus, we see it as a takeover of District 2.

The proposal by the city estimates a saving of \$200,000 annually. It saves Hutchinson Fire \$200,000. District 2 taxpayers will pay the same, and there is no guarantee that their rates will not go higher, as the city administration deems necessary.

For this same money, Chief Frazier states that District 2 will receive quicker response and increased resources. This is false. Currently, fire District 2 has aid agreements countywide and the surrounding counties. Hutchinson Fire has an aid agreement with District 2 only.

Chief Frazier states that operating costs are significantly less at Fire District 2 (\$25,000 per station), due to the Hutchinson Fire Department's operating more programs, such as full time training and inspection and using more equipment. District 2 employees provide

all these services and more without the benefit of special divisions in the department, thus cutting our costs.

We have three state-certified arson investigators, men trained to inspect day-care centers, and a paramedic who organizes and provides medical training. Training is done with the participation and input of all shifts. We provide fire prevention and education programs for the public. District 2 employees have designed and built all grass trucks currently in use by District 2, as well as maintaining and repairing all our other equipment. //

The editorial blamed county commissioners for shelving previous studies ... consolidation and not cooperating with this attempt. County commissioners should be commended for being cautious with taxpayer money. If they blindly went into this agreement, as the editorial writer suggests, Fire District 2 patrons would be taxed without representation.

The city manager insists on being the fire administrator and District 2 taxpayers have no vote for the city council, the city manager's bosses.

The editorial also stated that \$230 annually can be saved on a \$60,000 homeowner's policy within 5 miles from a fire station. This statement is misleading.

We also believe that District 2 would

take a back seat to city operations. A case in point happened last May 10 when Hutchinson fire officials wanted District 2 to empty a station of crew and truck to man their station in case of another incident in the city. District 2 declined as our patrons pay taxes to cover them. We would go help any emergency the city would have, but would not abandon our area without cause.

District 2 has progressed well in the 10 years of Chief German. We have made major improvements in our stations and equipment and have increased manpower without a reserve program.

THE EMPLOYEES OF FIRE DISTRICT 2:

Gold Crew, Station 1: CAPT. MARK DOUGLAS, DRIVER TIM PITTS, FF BRIAN RIFE, Station 2: CAPT. JOHN BARKLEY, DRIVER CHRIS SALLER, FF TONY ARPIN.

Blue Crew, Station 1: CAPT. DOUG TALLANT, DRIVER DARRIN SCHROCK, FF HAROLD ALBRIGHT; Station 2: CAPT. DAVE SAWYER, DRIVER RON EDIGER, FF JASON HOLLAND.

Red Crew, Station 1: CAPT. VANCE LEASURE, DRIVER L.D. PEEVY-HOUSE, FF BRIAN WINTERS; Station 2: CAPT. RANDY PENNER, DRIVER DAN BASS, FF R.C. WATSON.

County to continue studying merger

Commissioners looking at 2 options for proposed joining of fire districts

By John Green
The Hutchinson News

Renov County commissioners agreed Wednesday there would be enough long-term benefits from a merger of Renov County Fire District 2 with the city fire department to justify further study of the issue.

That consensus, however, came only after City Manager Joe Palacios conceded the county should have some authority to approve the combined department's annual budget.

"We can endorse going ahead in at least one of these two areas - a contract or inter-local agreement," Commission Chairman Bob Fischer said Wednesday.

Fischer was referring to the four legal options for merger outlined in a report by City Attorney Porter Brown.

A contract would put management of the combined force under the city department. An interlocal agreement would allow virtually any type of control agreed to by both parties.

Commissioner Larry Sharp, whose district encompasses most of Fire District 2, said his chief concern - and the reason he supports further study of the issue - are questions about the ability of the rural fire district to continue to meet residents' needs 10 or 15 years from now.

"We have to assume that annexation will continue and it will erode the county tax base," Sharp said. "The growth will continue to the north and east. I do have concerns that Fire District 2 will be able to meet the needs of the citizens in the area."

In addition

In other Reno County Commission business:

■ Commissioners spent 100 to 150 minutes of a new 30-day elevator tender at the county landfill. The only bid received on the nearly eight-month tender was from F&B Tread Co. Wichita for \$674,330. The company offered a 330,000 pound in the county's 1995 scrap.

Public Works Director George Stupis said he will review the bid and come back to commissioners next week with a recommendation on the purchase and whether to accept money from the county or landfill funds to buy it.

■ Commissioners approved a contract to have the county provide engineering and construction services

Some of the questions raised during Wednesday's discussion centered on fears the city would be unable to work with rural volunteer departments, that the jobs of all existing District 2 employees would be protected and that the city would not take possession of county equipment.

Deputy Fire Chief Kim Forbes offered assurance that all employees would transfer at equal rank and seniority and Palacios said the contract can be written so the fire equipment would remain property of the fire district for a period of time.

"There has to be an escape clause," Fischer said. "So if it does not work, we would not lose our alternative as to the equipment."

"There is no doubt we will proceed," the employees of Fire District 2 will lose nothing and gain several things," Sharp said. "I know of no contract with the city that has not worked out. Every contract so far has been a success. If we do need to suit down for the partners what the cost will be and ensure that the district's costs will be determined fairly."

Hutchinson Fire Chief Gary Fryxer said operating costs for the combined depart-

ments on the Peace Creek Bridge reconstruction project or Bird Avenue.

Stupis said the county will be reimbursed by 20 percent of the inspection costs, or about \$25,000, by the state. But then the county will be responsible for 20 percent of the construction costs, or between \$60,000 to \$80,000.

■ Commissioners approved a resolution setting a 10.3 percent pay raise for general obligation bonds to fund the Stupis High School improvements for 1997. The 10.3 percent will total about \$570,000. Three thousand of the district already have paid of the special assessments, totaling about \$20,000.

ments should be no more than the current budget. The only extra costs would be capital outlay costs from building a new county fire station and remodeling an existing city station into a training facility.

"The assumption is that costs won't increase," Fryxer said.

The plan is to eliminate five positions - including the District 2 chief and deputy chief, who both plan to retire in 1999, and three city fire positions that are unfilled. The money saved from these salaries would go toward building and remodeling. Fryxer said.

The reductions in salaries and benefits and closing at least one city fire station would amount to about \$200,000, Fryxer said. The cost for a new station and other station alterations are estimated at about \$1 million.

News Tip?

If you have a news tip, please call 620-933-1111 or fax 620-933-1112. The tipster will be notified and the story will be published.

Study: Joint fire merger a good deal

By John Green

A number of local towns, including North and the Hutchinson Fire Department, would result in a new, single fire department, according to a study released Tuesday by the state fire marshal's office.

The study found that the merger would save \$100,000 a year in salaries and overhead costs, which would then be applied to other fire department needs.

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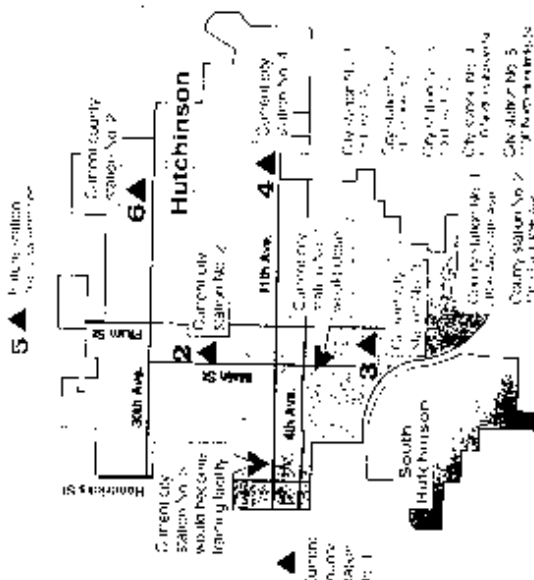
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Proposed fire department merger

City of Hutchinson and Reno County Fire District No. 2



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city operating in its program, such as full-time training and reporting and training in emergency response.

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The following figures reflect possible cost savings as a result of personnel reduction due to the merger, as well as the savings resulting from closure of a station and reorganization of equipment and personnel.

Position Reduction:

(Based on RCFD #2's 1998 Proposed Budget)

1 Fire Chief	\$41,440
1 Deputy Fire Chief	\$36,606
3 Firefighter	<u>\$82,929</u>
	\$160,975 *

** This figure is not accurate as it does not reflect the difference in pay scales between the departments.*

COMPARISON OF PERSONNEL COSTS:

	<u>RCFD #2</u>	<u>Hutch Fire.</u>
Captain	\$34,063	\$34,188
Lieutenant	None	\$32,232
Driver	\$29,900	\$30,216
Firefighter	\$27,643	\$28,944

Figures reflect annual salaries at the top of pay scale. City pay also reflects additional pays such as Educational Incentive, EMT, Working Out of Classification, and/or Relief Driver Pays.

SALARY SAVINGS:

Salary cost for individually operated departments.

County salary cost for fire personnel.	\$625,161	
City salary cost for fire personnel.	<u>\$2,640,072</u>	
Total salary cost for individually operated departments.		\$3,265,233

Salary cost for merged fire department
operated with city's pay scale figuring 92 personnel.

Salary cost for 77 present City positions.	\$2,640,072	
Salary cost for addition of 15 positions (see following breakdown).	<u>\$518,648</u>	
Total salary cost for merged departments.		<u>\$3,158,720</u>
3 Captains	\$110,939	
3 Lieutenants	\$104,537	
6 Drivers	\$195,318	
3 Firefighters	<u>\$93,854</u>	
	\$504,648	

3% COLA for 1998

\$14,000

\$518,648

Salary cost savings.

\$106,513

Note: Additional savings could be realized initially until Fire District personnel are at the top of the City Fire's pay scale.

F-1

OTHER BENEFITS:

Reno County (Based on current 20 positions.)

Health Insurance @ \$413.48/mo.	\$99,228
Life Insurance @ \$3.30/mo.	\$792
KPERS/KP&F @ \$ 9.7%	\$60,640
Medicare @ 1.45%	\$9,064
FICA @ 6.2%	\$38,759
Workers' Compensation @ 4.14%	<u>\$25,881</u>

\$234,364

City of Hutchinson (Based on 15 additional positions.)

Health Insurance @ \$178.50/mo.	\$32,130
Life Insurance @ \$1.10/mo.	\$198
KPERS/KP&F @ 19.6%	\$101,655
Medicare @ 1.45%	\$7,520
FICA @ 0.0%	0
Workers' Compensation/ Risk Management Fund @ 4.49%	<u>\$23,287</u>

\$164,790

Benefit Cost Savings

\$69,574

The above figures reflect several differences in benefit packages between the two departments. Reno County pays FICA taxes as well as contributing to the KPERS/KP&F Retirement System, where as the City of Hutchinson contributes only to the KPERS/KP&F Retirement System (no FICA taxes) for its fire department personnel. The City of Hutchinson is self-insured and utilizes a Risk Management Fund as opposed to paying Workers' Compensation premiums.

STATION SAVINGS

Cost to operate two county stations.	\$66,945
Cost per station.	\$33,472.50

Cost to operate five city stations \$313,540 *

* Less MERF Fund

(Includes the cost of funding Administration,
Training, Fire Prevention and Mechanic/
Maintenance Divisions.)

Cost per station. \$62,708

The cost difference in operating expenses between the two departments per station is due to the fact that the Hutchinson Fire Department operates full-time Training, Fire Prevention, and Mechanic/Maintenance Divisions out of Fire Station #1. Additionally, the increased station cost is associated with increased manpower, increased number of calls, larger facilities, and more apparatus for the City's Fire Department.

The cost savings realized from closing one fire station should result in a minimum of \$33,472.50, which is utilizing the cost of one County Fire Station.

F-2

COMPARISON OF COSTS TO OPERATE INDIVIDUAL AS OPPOSED TO JOINT FIRE/RESCUE DEPARTMENTS:

Cost to operate separate Fire/Rescue departments.

Personnel Services	\$3,265,233	
Contractual Services	\$152,670	
Commodities	\$100,425	
Capital Outlay	<u>\$327,390</u>	*
		\$3,845,718

* Includes a \$200,000 MERF Fund to purchase new machines.
The total figure does not include employer contributions and benefits.

Cost to operate merged Fire/Rescue department.

Personnel Services (92 personnel)	\$3,158,720	
Contractual Services	\$134,423	
Commodities	\$89,450	
Capital Outlay	<u>\$323,140</u>	*
		<u>\$3,705,733</u>

* Includes a \$200,000 MERF Fund to purchase new machines.
The total figure does not include employer contributions and benefits.

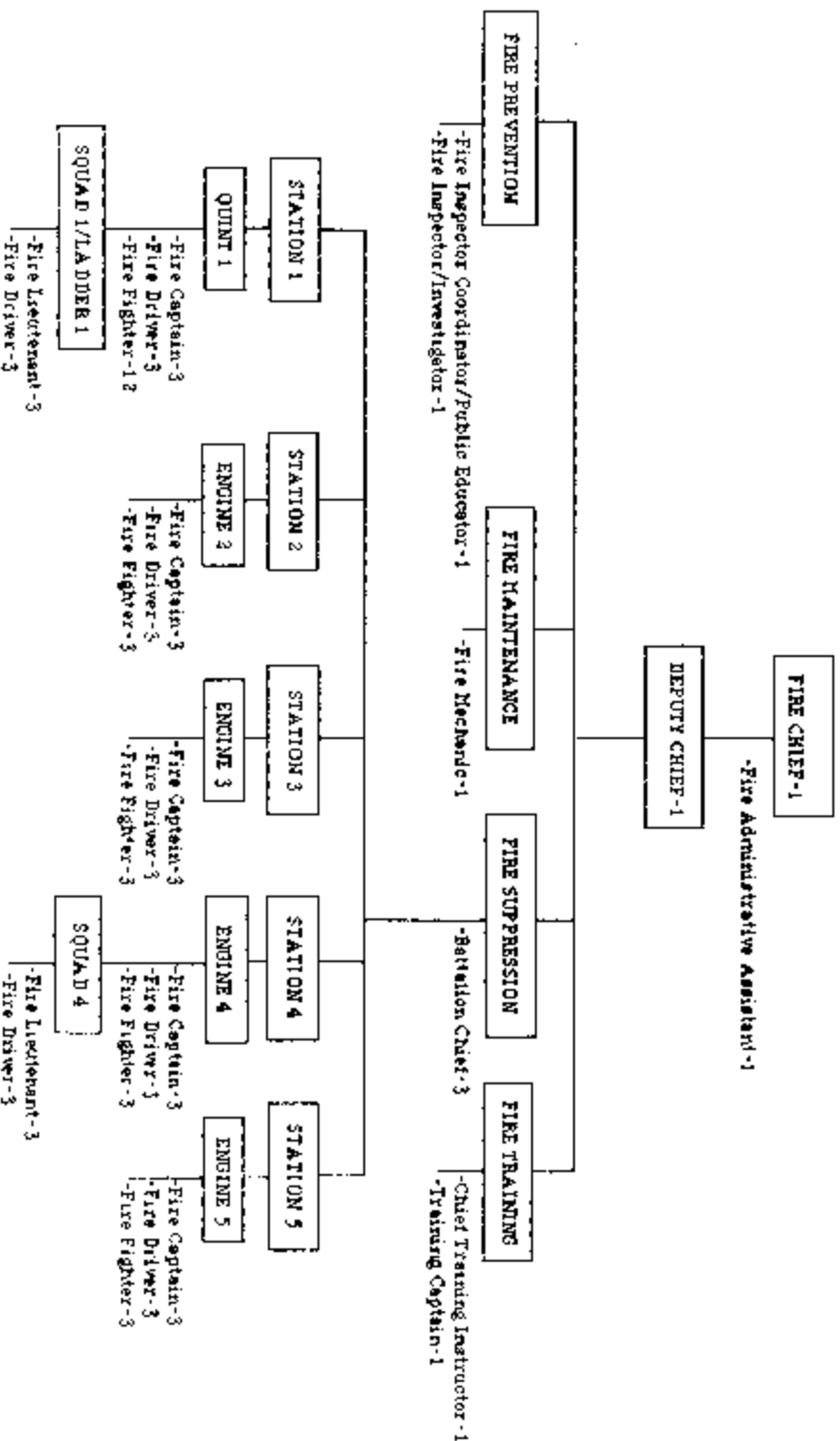
Budget Cost Savings	\$139,985
Employer Contributions/Benefits Savings	<u>\$69,574</u>
Total Cost Savings	\$209,559

CITY OF HUTCHINSON

Organizational Chart

February 1997

HUTCHINSON FIRE DEPARTMENT



ORGANIZATIONAL CHART
RENO COUNTY FIRE DISTRICT #2
1998

